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ABSTRACT

To aid the United States Congress in its analysis of alternative for federal aid to libraries, the Government Accounting Office (GAO) reviewed the two largest federally funded programs, the Elementary and Secondary Education Act of 1965 (ESEA) Title II and the Library Services and Construction Act (LSCA), to assess their effectiveness in meeting legislative objectives and to determine if problems existed. GAO found that federal library support programs have helped to improve materials and services in school and public libraries nation-wide. Some problems were noted in state procedures for allocating federal funds which tended to limit the funds available to local governments to provide services for those most in need. GAO compiled several recommendations for the improved distribution of funds, taking into consideration the views of the office of Health, Education and Welfare, which administers the LSCA and ESEA programs. (Author/SL)

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REPORT TO THE CONGRESS

U.S. DEPARTMENT OF HEALTH
EDUCATION & WELFARE
NATIONAL INSTITUTE OF
EDUCATION

ED101702

Federal Library Support Programs: Progress And Problems

Office of Education
Department of Health, Education, and Welfare

BY THE COMPTROLLER GENERAL OF THE UNITED STATES

MWD-75-4

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DEC. 30, 1974

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COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

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To the Speaker of the House of Representatives
and the President pro tempore of the Senate

This is our report on the progress and problems of Federal library support programs. The largest portion of Federal support for library programs is authorized by title I of the Library Services and Construction Act, as amended (20 U.S.C. 351), and title II of the Elementary and Secondary Education Act of 1965, as amended (20 U.S.C. 821). Both laws are administered by the Office of Education, Department of Health, Education, and Welfare.

Our review was made pursuant to the Budget and Accounting Act, 1921 (31 U.S.C. 53), and the Accounting and Auditing Act of 1950 (31 U.S.C. 67).

We are sending copies of this report to the Director, Office of Management and Budget, and the Secretary of Health, Education, and Welfare.

Elmer B. Staats

Comptroller General
of the United States

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ABBREVIATIONS

ESEA	Elementary and Secondary Education Act of 1965
GAO	General Accounting Office
HEW	Department of Health, Education, and Welfare
LSCA	Library Services and Construction Act
OE	Office of Education

COMPTROLLER GENERAL'S
REPORT TO THE CONGRESS

FEDERAL LIBRARY SUPPORT PROGRAMS: PROGRESS AND PROBLEMS

Office of Education
Department of Health, Education, and Welfare

D I G E S T

WHY THE REVIEW WAS MADE

Because of congressional interest and significant Federal investment in support programs for school and public libraries, GAO reviewed the two largest federally funded programs to assess their effectiveness in meeting legislative objectives and to determine if problems existed. Over $1 billion was appropriated for these programs through fiscal year 1974.

These programs were authorized by title II of the Elementary and Secondary Education Act of 1965 (ESEA), as amended, and title I of the Library Services and Construction Act (LSCA), as amended, and are administered by the Office of Education (OE), Department of Health, Education, and Welfare (HEW). The Congress is now faced with a number of alternative funding approaches for Federal aid to libraries. (See p. 1.)

FINDINGS AND CONCLUSIONS

Federal library support programs have helped to improve library materials and services in school and public libraries nationwide. Benefits of these programs include:

--Increased materials and services made available to school and public libraries. (See pp. 5 and 9.)

--Increased diversity in the types of materials purchased. (See p. 6.)

--Increased use of school and public library materials. (See p. 7.)

--Improved services to the disadvantaged and other target groups. (See p. 11.)

--Improved State library services. (See p. 12.)

GAO noted some problems in State procedures for allocating Federal funds which tended to limit the funds available to local governments to provide services for those most in need. (See pp. 14 and 20.)

Problems in allocating funds for school libraries

GAO believes that the primary objective in aiding school libraries was to distribute funds to those schools not meeting State library materials standards, considering priority areas stressed by OE, such as a school's economic need and

cultural or linguistic needs of children or teachers. (See p. 18.)

Though all States had adopted library materials standards--at least for books--more than half had not applied these standards in identifying schools needing additional materials and in forming a basis for ESEA title II funds allocation. (See p. 15.)

Allocation processes used by Michigan, Ohio, and many other States were designed to give all schools some funds regardless of their relative need for additional materials. This reduced the amount of funds available to schools not meeting minimum State standards. (See pp. 15 and 18.)

Problems in allocating funds for public libraries

Many States have apparently interpreted LSCA and implementing regulations as allowing them broad discretion in retaining funds for use at the State level.

These States--including Michigan and Ohio--have retained large portions of LSCA title I funds at the State level for administration, services, and statewide programs. This reduced the funds available to provide new or improved library services at the local level, where such services were lacking or inadequate. (See p. 26.)

Neither Michigan nor Ohio had assessed statewide needs for new or improved services. Such an assessment should be an important prerequisite in the funds allocation process.

Although both States had identified urban and rural areas with high concentrations of low-income families, they did not give these areas priority consideration when distributing funds to local libraries. (See pp. 24 and 25.)

These actions tended to limit the achievement of the legislative objectives of providing library services to those people without such services or to those people with inadequate services--particularly the urban and rural disadvantaged. (See p. 20.)

GAO believes that one way to help insure that the target groups are served is to establish a limit on the amount or percentage of LSCA title I funds that States can retain for administration, services, and statewide programs. (See p. 27.)

Proposed funding approaches

On August 21, 1974, the Congress enacted the Education Amendments of 1974 (Public Law 93-380). Title IV of the act provides for consolidating certain education programs into two broad areas, Libraries and Learning Resources and Educational Innovation and Support. The Libraries and Learning Resources consolidation, which includes ESEA title II, is to become operative beginning with fiscal year 1976 but will

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not occur unless certain criteria are met. (See p. 29.)

If the Libraries and Learning Resources consolidation occurs, the States are to distribute funds to the local educational agencies on the basis of student population with some additional considerations, such as tax effort and education cost per child. The States must insure that each local educational agency will be given complete discretion in determining how funds will be divided among the programs included in the consolidation.

ESEA title II and existing regulations and guidelines will remain in effect until the beginning of fiscal year 1976 if the consolidation occurs and until the end of fiscal year 1978 if the consolidation does not occur.

The State and Local Fiscal Assistance Act of 1972 included a revenue sharing proposal for funds that could be used for public library services. As of May 1973, most States had not used any funds for their State library agencies. During the 18 months ended June 30, 1973, local public libraries had received less than 1 percent of the general revenue sharing funds available to local governments. (See p. 30.)

HEW has requested the phasing out of the LSCA title I programs for assisting public libraries beginning in fiscal year 1975 because it felt the States and localities should assume the costs of this assistance. (See p. 31.)

RECOMMENDATIONS

To insure that funds for school and public library support are used to achieve objectives of the legislation, the Secretary of HEW should direct the Commissioner of Education to:

--Insure that States have established minimum standards for collections of both books and audiovisual materials. (See p. 18.)

--Clarify program guidelines by requiring that States (1) identify those schools not meeting minimum standards as the first step in ESEA title II fund allocation and (2) give priority in fund allocation to those schools thus identified which meet other OE criteria for priority treatment. (See p. 18.)

--Require the State library agencies to assess statewide needs for public library services and rank local libraries accordingly as a prerequisite to distributing LSCA title I funds. (See p. 27.)

--Insure that the State library agencies give appropriate priority consideration to urban and rural disadvantaged persons when distributing LSCA title I funds. (See p. 27.)

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AGENCY ACTIONS AND UNRESOLVED ISSUES

HEW generally agreed with GAO's recommendations and stated that actions had been or would be taken to implement them. (See pp. 19 and 27.)

However, HEW had reservations about the States using a ranking system for local libraries as a prerequisite for receiving LSCA title I funds. GAO did not intend by this recommendation that such a system be the sole basis for distributing funds to local libraries. GAO believes that the results of a statewide needs assessment would show those areas or groups most in need of services and that the use of a ranking of libraries covering these areas or groups in conjunction with other factors, such as local initiative and interest in participation, would result in better decisions regarding the most effective use of the limited LSCA title I funds.

Furthermore, GAO believes that the States should be given a reasonable amount of time to implement a needs assessment procedure.

HEW said that GAO's proposal concerning a dollar or percentage limit on funds retained for State administration had merit but could be achieved only by amending current legislation. HEW took exception to GAO's proposal that funds retained by States for services be included in any limitation. HEW and officials from both State library agencies contended that, in some cases, the provision of services by the State was a more efficient and effective use of LSCA title I funds.

GAO agrees that, when directed solely toward the intended target groups, State provision of services may be more efficient and effective. However, for services and programs that are statewide and serve the general population, GAO does not believe that State provision of services is an efficient and effective use of LSCA title I funds. GAO believes that funding for these latter services and programs may more properly be provided by the States.

Officials from both the Michigan and Ohio State libraries believed that a limit on the funds their States could retain would require their State legislatures to provide more funds to the State library and result in more LSCA title I funds being used for grants to local libraries. (See p. 28.)

MATTERS FOR CONSIDERATION BY THE CONGRESS

The Congress should find this report useful in its deliberations on the approaches proposed for support of school and public libraries.

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To help insure that more of the limited Federal funds are focused on providing expanded library services to the target groups provided for in the act, the Congress should consider amending the existing legislation to specify a dollar amount or percentage limit on the LSCA title I funds that the States may retain for administration, services, and statewide programs. (See p. 28.)

CHAPTER 1

INTRODUCTION

The Federal Government has long recognized education as one basic factor in developing and maintaining a vital and prosperous nation. Providing the populace with access to the wide variety of information needed for learning is a significant part of the educational process. A major task of school and public libraries is to provide this access.

The Federal Government helps support libraries through various programs administered by several agencies. However, the largest portion of Federal support comes from title I of the Library Services and Construction Act (LSCA), as amended (20 U.S.C. 351), and title II of the Elementary and Secondary Education Act of 1965 (ESEA), as amended (20 U.S.C. 821). The Office of Education (OE), Department of Health, Education, and Welfare (HEW), administers both laws.

We reviewed the programs established under these laws to determine their results and whether any problems adversely affected the accomplishment of legislative objectives. We examined aspects of the programs for several States but concentrated our efforts in Michigan and Ohio--States consistently among the top 10 in Federal library support funds received.

SCHOOL LIBRARY RESOURCES

Title II of ESEA, as amended, authorizes a program for making grants for acquiring school library resources, textbooks, and other printed and published instructional materials for the use of children and teachers in public and private elementary and secondary schools. The program requires no State or local matching funds, but the Federal funds must be used to supplement and, to the extent practical, increase the level of State, local, and private school funds for instructional materials.

The title II program consists of acquisition of materials and administration. The acquisition program includes the purchase, lease-purchase, or lease of school library resources, textbocks, and other instructional materials. This

program also includes the necessary costs of ordering, processing, and cataloging such materials and their delivery to the initial location at which they are made available for use. Administration includes those executive, supervisory, and management responsibilities necessary to carry out the program. Each State may retain 5 percent of the total amount made available to it under title II or $50,000, whichever is greater, for administration.

PUBLIC LIBRARY RESOURCES AND SERVICES

In 1956 the Congress passed the Library Services Act to provide Federal funds, on a formula basis, to States for developing and expanding public libraries in rural areas. Amendments enacted in 1964 changed the name of the act to the Library Services and Construction Act, expanded coverage of aid to include urban public libraries, and established a program of matching grants for library construction. In 1966 LSCA was amended to include funds for interlibrary cooperation and to provide for library services to the handicapped and institutionalized.

The 1970 amendments to LSCA allowed funds to be used to strengthen metropolitan public libraries used as national or regional resource centers and to strengthen library administrative agencies. The 1970 amendments also required the States to submit a 5-year, long-range plan; cited library service to the disadvantaged as a major program goal; and streamlined the act into three titles: title I--library services, title II--public library construction, and title III--interlibrary cooperation.

Under title I Federal funds may be used for books and other library materials, equipment, salaries and operating expenses, statewide planning and evaluation of library programs, and State administration. Title II funds are for constructing public libraries, and title III funds are for establishing networks that coordinate elementary and secondary school, public, university, and special library collections.

PROGRAM ADMINISTRATION

OE's Division of Library Programs administers both programs. OE headquarters administers ESEA title II field activities, but program officers in each of HEW's 10 regional offices administer the LSCA program. A State agency, most often the department of education or the library agency, administers the programs at the State level. In Michigan the State Library Services component of the Department of Education administers both programs. In Ohio the Department of Education administers the ESEA title II program; the State Library of Ohio administers LSCA title I.

OE distributes funds under both programs according to formulas in the legislation. OE allots funds under ESEA title II annually to States on the basis of their percentage of the Nation's students enrolled in public and private elementary and secondary schools. OE also allots LSCA title I funds annually, giving each State a minimum allotment; the remainder is distributed on the basis of the percentage of a State's population in relation to the Nation's population.

To receive Federal funds, States must submit an annual plan for each program to the Commissioner of Education for approval. These plans set forth program goals and objectives and provide assurances that criteria have been devised so that program funds will be distributed to local governments in accordance with the law and that the programs will receive proper administration and supervision.

FUNDING

Federal funds appropriated by the Congress for each program from inception through fiscal year 1974 were as follows:

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FY	LSCA title I	ESEA title II
1957-64	$ 50,550,000	$ -
1965	25,000,000	-
1966	25,000,000	100,000,000
1967	35,000,000	102,000,000
1968	35,000,000	99,250,000
1969	35,000,000	50,000,000
1970	29,750,000	42,500,000
1971	35,000,000	80,000,000
1972	46,600,000	90,000,000
1973	30,000,000	100,000,000
1974	46,750,000	90,250,000
Total	$393,650,000	$754,000,000

CHAPTER 2

ACHIEVEMENTS OF FEDERAL LIBRARY SUPPORT PROGRAMS

According to a number of States, OE, and the American Library Association, LSCA title I programs and ESEA title II programs have helped to improve public and school library materials and services. Reports indicated that Federal funds have provided the impetus for expanded and oftentimes innovative materials and services in both school and public libraries. Because the reports usually described the improvements in general terms, we reviewed selected projects in school and public libraries in Michigan and Ohio to determine specific benefits there.

BENEFITS TO SCHOOL LIBRARIES, TEACHERS, AND STUDENTS

Evaluation reports from the States and OE, together with our observations in selected Michigan and Ohio schools, indicated that ESEA title II funds had produced significant benefits, including

--an increase in the quantity of materials made available to school libraries,

--a diversity in the types of materials purchased,

--an increase in the use of library materials, and

--the design of new curriculums and innovative instructional techniques using the library materials.

Increased materials

There was no nationwide data available on increases in school library materials or materials per student since the beginning of the title II program. Reporting was generally done in terms of total expenditures or expenditures per student. Similarly, data was not available at the State level in either Michigan or Ohio showing increases in materials since title II began. The Michigan Department of Education had surveyed school libraries in 1965 and obtained data on the number of library books per student. At the

time of our review in 1973, no data had been obtained on the progress made since the first data was collected. The Ohio Department of Education had not obtained any information on the number of library books per student.

To determine whether library materials had increased, we visited 52 schools in Michigan and 22 in Ohio. We visited schools in the largest metropolitan area in each State along with schools in rural areas. We attempted to obtain a mix of elementary and secondary schools, public and private schools, and schools in economically advantaged and disadvantaged areas.

In the Michigan schools, the library book collections increased an average of four books per student from 1965 to 1973. In the Ohio schools, the collections increased an average of five books per student for the same period. These increases showed progress toward meeting State standards for library materials. Our analysis showed that only 4 of the 52 Michigan schools would have met the standards in 1965, but in 1973, 18 schools met Michigan's minimum standards for library books. In Ohio 19 of the 22 schools met Ohio's minimum standards in 1973.

Diversity of materials

In recent years teachers have increasingly used materials other than books to assist in the learning process. Collectively called audiovisual materials, these include such items as films, slides, records, tapes, maps, globes, and pictures. Education experts generally agree that using these materials in conjunction with books, usually called a multimedia approach, is superior to using books alone.

Annual OE program evaluation reports showed that the portion of title II funds spent for audiovisual materials rose from 19 percent in fiscal year 1966 to nearly 41 percent in fiscal year 1972. The report did not show increases in the number of audiovisual collections nationwide or increases in materials per student but indicated that significant quantitative improvements had been made in the collections of these materials.

Data was not available at the local or the State level in either Michigan or Ohio to show the improvements made in the audiovisual collections. Most of the 74 schools visited,

however, had established extensive collections in their libraries. School officials in both Michigan and Ohio said audiovisual materials housed permanently in their schools were practically nonexistent before the title II program. Some officials stated that, though they had access to such materials before title II, either through a school district's regional center or a lease agreement with a private company, title II funds made these learning tools more readily available to considerably more children.

Material use

Comparative circulation data was not available at the State agencies or, in most cases, at the schools visited. However, most librarians at those schools said that circulation of books and audiovisual materials had increased since 1966. At a few schools, circulation data on books showed a sharp increase in use since the beginning of the title II program. For example:

--At a rural Michigan high school the yearly circulation of books increased from 11,000 in 1966 to over 26,000 in 1972.

--At an elementary school in Detroit's inner city, yearly book circulation increased from 7,600 in 1969 to 10,000 in 1972 and circulation of audiovisual items increased from 500 to 4,000 during the same period.

--At a junior high school in Cleveland's inner city, annual book circulation increased from 4,300 in 1968 to 19,400 in 1973.

Some of this increased circulation was undoubtedly due to increased pupil enrollment. A major reason for the increase, however, appears to be the emphasis placed on using the library and its materials since the implementation of title II. Many elementary schools visited required students to spend one class period a week in the school library. Also, almost three-fourths of 146 randomly selected teachers in both the elementary and secondary schools said they now require students to visit the library at least once a week in conjunction with class assignments. We observed many students at work during these library periods and many of the books and

audiovisual materials they were using had been purchased with title II funds.

Use of materials in curriculum and innovative technique development

OE annual reports on the title II program describe some innovative teaching strategies and curriculums for elementary and secondary schools made possible by materials purchased with title II funds. These included:

--Individualized programs using the multimedia approach.

--Simulation and games teaching in which models are used to teach basic concepts.

--Elective course scheduling similar to college class scheduling.

--Independent learning processes.

The reports indicated that perhaps the most widespread use of title II funds had been in developing special reading programs. Our visits in Michigan and Ohio tended to support this position. In the special reading program illustrated on the next page, ESEA title II funds were used in a Michigan school to provide material whereby the students were able to read along with the vocalization of printed words on tape. According to school officials, this method improved the students' reading ability.

IMPROVEMENTS IN PUBLIC LIBRARY RESOURCES AND SERVICES

Available reports and our visits to public libraries in Michigan and Ohio showed that improvements in public libraries have occurred since the passage of LSCA. These included:

--Increased services and materials benefiting more users.

--Increased use of library materials.

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Children in a Detroit public school use ESEA title II audio-visual materials in their special reading program.

--Improved services for the disadvantaged in urban and rural areas.

--Improved State library agencies.

Increased services and materials benefiting more users

Statistics showing improvements in public library services and materials nationwide since the beginning of LSCA were not available. In March 1972 the American Library Association estimated that (1) about 65 million books and other library materials had been purchased since 1957 with Federal, State, and local funds and (2) 17 million persons have received library services for the first time since 1956 and another 71 million persons have benefited from improved services. The association attributed these accomplishments to LSCA title I.

State library officials in Michigan and Ohio also said that, without Federal funding, many improvements in public libraries in the last 15 years would not have been possible.

One benefit of the LSCA title I program in Michigan and Ohio has been increases in the size of library collections--books, reference materials, and periodicals.

Collections--regardless of size--are more benficial when made available to more people. Both Michigan and Ohio have been successful in this area by distributing LSCA title I funds through regional library systems. This has also lead to increased use of library materials. For example:

--In Michigan the Wayne County Federated Library System has banded together 52 public libraries, mainly in a 3-county area, to centralize purchasing and processing and provide a resource-sharing service. In every year but one from 1966 through 1972, the system has increased the number of persons served, books in stock, and books circulated. In 1966 the system served about 800,000 persons and had over 725,000 books and a circulation of nearly 3.6 million. In 1972 the system was serving 1.7 million persons, had over 2 million books, and had a circulation of nearly 6 million. The system reduced costs per circulation for administration and processing. The system's director stated that not all improvements in the system's library services can be ascribed to LSCA title I but such funds have been the margin for improvement in several basic areas. These funds totaled $60,000 for fiscal year 1973 and were used mainly to increase the system's book collections.

--Ohio also relies on regional library systems to get library materials to users. Much progress has been made in multicounty cooperatives--public libraries in specific counties make their materials available to any participating library in the system. In one system--Ohio Valley Area Libraries--26,393 books were added to the member libraries in 4 years--14,000 of which were purchased with Federal funds. The most important accomplishment, according to most system librarians, was the enlargement of reference and nonfiction book collections. Seven of the 12 libraries in the system were able to purchase more books per person in 1972 than in 1971, 5 of these despite reductions in local budgets. However, since discarding

out-of-date and unused materials has been encouraged, the total collection size has not increased.

In Ohio LSCA funds have also provided the impetus necessary to initiate an extensive State-operated bookmobile service. Mobile vans, housing extensive collections, travel regularly to rural and other areas not served or not adequately served by public libraries. Before LSCA title I, the State library did not operate bookmobiles, although some have been operated by county libraries for many years. In 1973 the State library operated bookmobiles funded by LSCA title I from six centers supporting library resources in 21 sparsely populated counties. Area librarians considered the bookmobile service an essential extension of their local library program. We visited the Meigs, Jackson, and Vinton Counties' bookmobile project, which was aimed at extending library services to areas with inadequate or no services in rural Appalachia. The annual book circulation in that area increased by more than 40,000 from 1965 to 1972, and project officials believed that this was a direct result of the bookmobile service.

Services to disadvantaged in urban and rural areas

The December 1970 LSCA amendments emphasized giving priority to serving the disadvantaged, both urban and rural. OE reported that funds spent for library services for the disadvantaged nationwide increased to $8.2 million (17 percent of total expenditures) in fiscal year 1972 compared with $2.9 million (8 percent of total expenditures) in fiscal year 1971. Both Michigan and Ohio had developed projects to serve the disadvantaged.

In Michigan the Detroit Public Library received a $25,000 LSCA title I grant in fiscal year 1969 to establish storefront library collections. The collections were set up in drug abuse, recreation, and community action centers to provide library service related to the needs of persons using these centers. Most of the storefront collections were in the inner city, an area characterized by high concentrations of low-income persons. During fiscal year 1972, the 26 storefront collections circulated nearly 11,600 books. To improve these collections the Michigan State library agency awarded an $85,000 title I grant to Detroit for fiscal year 1973. Detroit library officials believed the storefront

collections were used by persons who were not using traditional public libraries.

Ohio had also established several projects with LSCA title I funds in addition to the bookmobile service, to improve library services for the disadvantaged. Examples follow.

--One project in east Cleveland was aimed at the community's functionally illiterate adults who needed training to develop reading skills for learning job skills. From September 1972 through December 1973, the project provided reading help to 261 residents using 21 tutors from a local college. The project director said such a project would not have been attempted without title I funds.

--Another project in Cleveland was designed to provide practical, cultural, and recreational library materials to nonusers in the inner city. During fiscal year 1973, the project served over 40,000 persons.

--In Lorain a project was designed to develop a collection for Spanish-speaking residents. Before the title I project, the library had only 200 books in Spanish and no other types of materials for Spanish-speaking persons. After 3 years, the collection included 7,000 books, 100 films, and 1,300 records. Also during this period the circulation of the materials quadrupled. According to the project director, the library would not have attempted this project without title I funding.

State library services

Both Michigan and Ohio improved their State library administration and support services with LSCA title I funds. Services to libraries with the funds in Michigan included cooperative library services through developing a daily telephone call system to various libraries to locate requested materials, reference and bibliography services, and a book-by-mail program.

In Ohio the title I funds retained at the State level enabled the State to hire library consultants as liaisons between the State and libraries in a specific region. These consultants helped local libraries develop project grant proposals and other programs to monitor and evaluate operation. The State library also developed a centralized processing center that classifies and catalogs books for the State library and 43 of the State's 251 public libraries. In fiscal year 1973 over 124,000 books were processed with resulting economic savings to the libraries.

CHAPTER 3

PROGRESS LESSENED BY PROBLEMS IN ALLOCATING ESEA TITLE II FUNDS

Although progress has been made in improving elementary and secondary school libraries and services nationwide under the title II program, more could have been achieved had all the States provided for distributing funds on the basis of relative need as required by the legislation. OE issued regulations governing the development of allocation formulas, but some States interpreted these regulations in such a way that schools most in need were not receiving priority consideration.

OE DEFINES THE LAW

To receive funds under title II, States were required to submit a plan to the Commissioner of Education which set forth criteria for allocating funds to local schools for library materials. The law emphasized that the criteria should consider the relative need of children and teachers for such library resources. In describing relative need, OE program regulations stressed periodically determining whether materials available to schools met States' school library standards and required that priorities be established for assisting the most needy schools, as follows:

> "The criteria shall on the basis of a comparative analysis and the application of standards * * * establish the relative need as determined from time to time of children and teachers and school library resources, textbooks, and other printed and published instructional materials to be provided under the plan. Such criteria shall include priorities for the provision of such materials on the basis of several factors such as the requirements of elementary and secondary instructions, quality and quantity of such materials now available, requirements of children and teachers in special or exemplary instructional programs, the cultural or linguistic needs of children or teachers, the degree of economic need, and degree of previous and current financial efforts for

providing such materials in relation to financial ability. The distribution of such resources, textbooks, and materials for children and teachers solely on a per capita basis does not satisfy this provision." (Underscoring supplied.) (45 C.F.R. 117.3 (d))

Through reviews made during the early years of the program, OE knew many States' allocation formulas were not based on determination of relative need. Subsequently OE issued program guidelines and memorandums to State officials discouraging the allocation of funds on a per capita basis and suggesting that standards be adopted for distributing funds. The program memorandums further emphasized that the primary objective of ESEA title II was to help schools reach States' minimum standards for library resources--books and audiovisual materials--and, of those schools qualifying for funds, priority was to be given to those having students with cultural and linguistic problems or other needs.

STATES' INTERPRETATIONS VARY

Many of the States' allocation formulas for title II funds were still not based on relative need determinations in November 1973. According to information in the State plans, all 50 States and the District of Columbia had developed quantitative standards for elementary and secondary school library resources. Most standards related to books; very few States had established standards for audiovisual materials. The plans for 26 States made no mention that the standards would be applied to inventories of available materials to determine schools needing additional materials and to form a basis for allocating funds.

Further, the plans for 27 States showed that significant portions of funds were to be distributed to all schools in the States on a per student basis. Funds distributed in this way ranged from 10 to 90 percent of the State total; most of the States, however, distributed about 50 percent of their total funds in this manner.

We examined the formulas used by Michigan and Ohio to determine the extent to which standards were used in allocating funds and how the other priorities stressed by OE were considered.

Michigan's process

Michigan had established minimum quantitative library book standards in 1966 for elementary and secondary schools (see app. I) but had not established such standards for audiovisual materials. As of November 1973 no comparative statewide analysis had been made identifying the extent to which schools met the book standards and identifying those schools needing additional library resources.

In fiscal year 1973, Michigan allocated 50 percent of its $4 million ESEA title II allotment on a per capita basis. This amounted to $0.95 per student for all participating schools. An additional 11 percent was allocated to all schools on a weighted basis according to the inventory of library materials purchased with State and local funds. Schools having small inventories of such materials received larger per student allocations.

Michigan allocated 35 percent of its allotment to schools in areas with high concentrations of low-income families. The eligibility criteria for ESEA title I--which identified eligible schools and the number of children in each school from low-income families--was used to determine this. In fiscal year 1973, eligible schools received title II moneys amounting to $5.73 for each student enrolled who was a member of a low-income family.

The remaining 4 percent of Michigan's allotment was divided among 5 of the State's 20 regional media centers to provide special materials for teachers and students.

Ohio's process

Like Michigan, Ohio had established quantitative book standards for elementary and secondary school libraries (see app. I) but had not established quantitative standards for audiovisual materials. Also the standards were not used to determine the schools needing additional library resources.

Ohio's allocation process for fiscal year 1973 consisted of complex calculations designed to produce a composite index to be assigned to each school district. Each district was given a basic grant--in effect a per capita allocation--and this was combined with an index calculated on the basis of

--the number of books per student in each district,

--the taxable millage and assessed valuation per student in each district, and

--total expenditures per student in each district.

The composite indexes were ranked and then placed in quartiles, each having a like number of students. Ninety percent of Ohio's allocation was then distributed to school districts according to the number of students in the district, as follows:

Quartile	Allocation per student
First (note a)	$1.24
Second	1.41
Third	1.58
Fourth	1.80

a/ Least needy.

In fiscal year 1972 the Ohio State Department of Education determined that elementary school libraries needed materials more than secondary school libraries and restricted fund distribution by the districts to elementary schools. Aside from this restriction, the school districts could distribute the title II funds to the schools in any manner. The Department does not monitor this distribution to insure that funds are given to individual schools on the basis of relative need.

Ohio allocated the remaining 10 percent of its title II funds for special-purpose grants. These grants were directed mainly toward schools with special reading programs. Ohio officials said these grants were not specifically for schools for the disadvantaged but such schools had received grants.

Comments from State officials

Michigan and Ohio officials in charge of their States' ESEA title II programs did not agree that title II funds were to be distributed on the basis of library materials

standards. They believed their allocation processes were correct since the Commissioner of Education had approved the State plans containing them.

CONCLUSIONS

The allocation processes used in Michigan and Ohio allowed all schools to receive some funds regardless of their relative needs for additional school library resources. This reduced the amount of funds available to schools not meeting minimum State standards. State plans indicated that the allocation processes for many other States do not insure that schools needing additional library resources are receiving priority consideration.

The legislation intended that funds be distributed primarily to schools that are carrying out their financial obligation for library support but not meeting recognized State library materials standards. Once these schools are identified, other areas of priority, as defined by OE, should be considered.

RECOMMENDATIONS TO THE SECRETARY OF HEW

We recommend that, to insure that funds for improving elementary and secondary school libraries are used to achieve legislative objectives, the Secretary direct the Commissioner of Education to:

--Insure that States have established minimum standards for collections of both books and audiovisual materials.

--Clarify program guidelines by requiring that the States (1) identify those schools not meeting the minimum standards as the first step in ESEA title II fund allocation and (2) give priority in fund allocation to those schools thus identified which meet other OE criteria for priority treatment.

AGENCY VIEWS AND GAO EVALUATION

HEW basically concurred with our recommendations but stated that the passage of the Education Amendments of 1974 (Public Law 93-380) would necessitate new regulations and guidelines for administering school library resources and services programs. HEW also stated that such regulations and guidelines would affect the degree of compliance with our recommendations. HEW agreed to consider our recommendations in developing the new regulations and guidelines.

The provisions of Public Law 93-380 that would require new regulations and guidelines do not become operative until fiscal year 1976 and become operative only if the programs involved are (1) funded in the aggregate at or above fiscal year 1973 or 1974 levels, whichever are higher, and (2) forward funded. If such provisions do not become operative, ESEA title II and existing regulations and guidelines remain in force through fiscal year 1978.

CHAPTER 4

IMPROVEMENTS NEEDED IN ALLOCATING FUNDS FOR PUBLIC LIBRARIES

Both the Congress and OE have placed considerable emphasis on insuring that adequate public library services are available to all people, particularly those from low-income families living in urban and rural areas. Many States, however, have retained large portions of LSCA title I funds for administration, services, and statewide programs.

We noted that Michigan and Ohio had distributed funds to local libraries without making statewide assessments to determine the needs for new or improved library service. Further, neither State gave priority consideration to serving people from low-income families living in urban and rural areas when distributing these funds.

These actions tended to limit the achievement of the legislative objectives of providing service to those people without library services or with inadequate services--particularly the urban and rural disadvantaged.

THE LAW AND IMPLEMENTING REGULATIONS

Title I of LSCA, as amended, provides that grants to the States be used for:

--Extending public library services to geographical areas and groups of persons without such services.

--Improving public library services in such geographical areas and for such groups as may have inadequate public library services.

--Establishing, expanding, and operating programs to provide library services to people in State institutions, to the physically handicapped, and to the disadvantaged in urban and rural areas.

--Strengthening metropolitan public libraries which serve as national or regional resource centers.

--Improving and strengthening library administrative agencies.

The law provides that choosing the best uses of funds be reserved to the States and their local subdivisions, as long as they are consistent with LSCA purposes.

The act also provides that each State have a plan, including among other things (1) the criteria that will be used in determining the adequacy of public library services in geographical areas and for groups of persons in the State and (2) criteria designed to insure that priority will be given to programs or projects which serve urban and rural areas with high concentrations of low-income families.

Further, the act states that, subject to limitations or criteria that the Commissioner of Education may establish, the States may use grant funds to administer the State plan and to strengthen the capacity of State library administrative agencies for meeting the needs of the people.

The program regulations issued by HEW not only restate the requirements regarding provision of services and needs assessment but include examples of how the States can gather data to determine the urban and rural areas with high concentrations of low-income families. The regulations contained no limitations or criteria on the amounts that States could retain for administration and support services and strengthening the State library agencies.

RETAINING FUNDS AT THE STATE LEVEL

State financial reports for fiscal year 1972 revealed that all States retained large percentages of title I funds at the State level for administration and support services or for statewide projects.

The following table shows the aggregate amount of title I funds retained at the State level for these activities and the percentage of the total $49 million in LSCA funds allotted to all the States for fiscal year 1972.

Activity	Amount retained (millions)	Percent of total allotment
Administration (note a)	$ 2.97	6.1
Strengthening State library agencies	5.56	11.4
Centralized processing	2.12	4.3
Statewide programs	7.90	16.2
Total	$18.55	38.0

a/The data for administration relates to all three titles of LSCA.

For Michigan and Ohio, the breakdown of the funds retained at the State level and the funds used for local public libraries for fiscal years 1972 and 1973 is shown below. The fiscal year 1973 breakdown for Michigan does not include $1.4 million of impounded funds. This is discussed more fully on p. 25.

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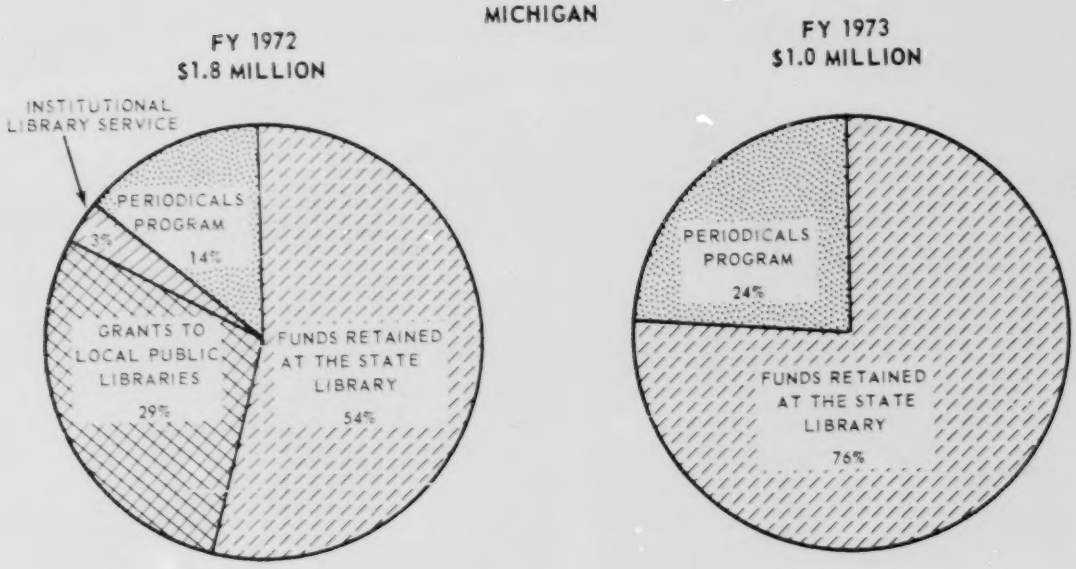
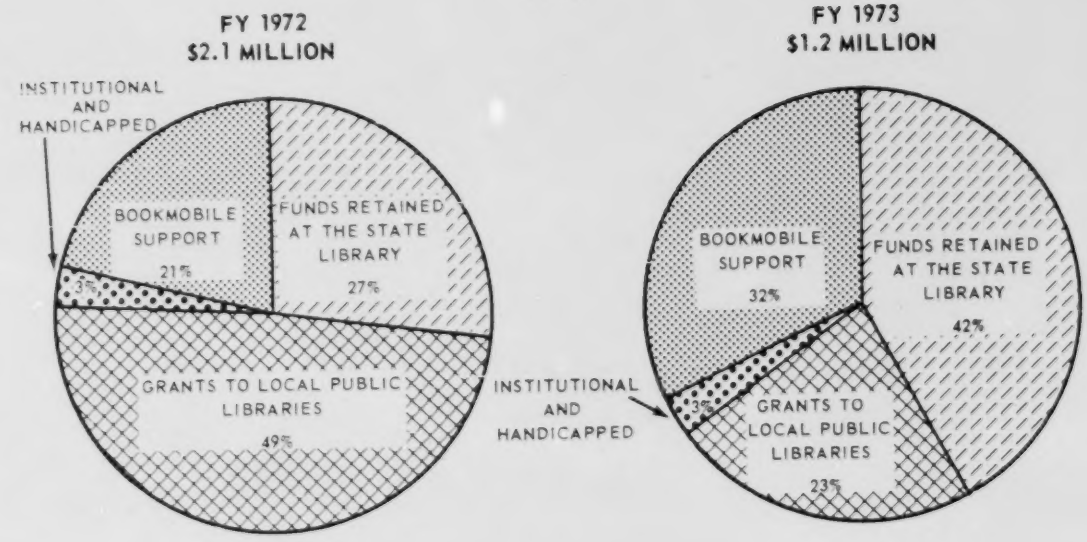
HOW THE LSCA TITLE I FUNDS WERE SPENT IN MICHIGAN AND OHIO

MICHIGAN



OHIO



In Michigan LSCA title I funds retained at the State level amounted to about 42 percent of the total funds used to operate the State library agency during fiscal year 1972. In Ohio LSCA title I funds retained at the State level represented about 30 percent of the total funds used to operate the State library during fiscal year 1972.

ALLOCATION OF REMAINING FUNDS TO LOCAL PUBLIC LIBRARIES

In allocating the remaining funds, neither Michigan nor Ohio systematically assessed public library needs to determine those areas needing new or improved library services. Furthermore, although both States had identified urban and rural areas with high concentrations of low-income families, they did not give priority consideration to these areas when distributing LSCA title I funds to local libraries.

Michigan's process

For fiscal year 1972 the Michigan State Library sent grant applications to all 350 public libraries in the State but received only 50 proposals. The State library approved 24 projects, 21 of which were submitted by the State's regional library systems. This action was consistent with Michigan's long-range plan of developing regional library systems to meet the needs of public libraries. State officials believed regional library system directors had the best insight into the needs of member libraries and, therefore, authorized system directors to decide how funds would be used. State library officials also informed us that time did not permit the limited State staff to help public libraries in low-income areas develop requests for direct grants.

We visted projects in 6 of the 21 regional library systems and found that only 1 was designed to serve concentrations of low-income persons. However, project reports showed that, in some of the other 15 regional systems, a portion of the grant funds were used to provide services for the physically handicapped, the aged, the blind, rural residents, and other disadvantaged persons.

The remaining three projects approved by the State library were operated by independent public libraries--two

in rural areas and one in a suburban area. One of these directly benefited disadvantaged persons.

The State library did not use any of its initial $1 million allotment of fiscal year 1973 funds for project grants. It retained all the funds at the State level except $250,000, which was used to continue a periodicals program. Under this program the State library gave a specific number of periodicals to all public libraries and their branches.

In January 1974, $1.4 million of fiscal year 1973 impounded funds were released to the State library for a total allotment of $2.4 million. In April 1974 the State library distributed $532,000, or 22 percent of the total allotment, to 42 selected library systems and public libraries in the form of project grants.

Ohio's process

Apart from the funds retained to operate the State library, Ohio used LSCA title I funds for bookmobile support, direct grants to public libraries, and library services for the institutionalized and handicapped in both fiscal years 1972 and 1973.

Ohio's LSCA title I-funded bookmobiles provided library resources to 21 of the 88 counties in Ohio. These counties were in rural areas and were sparsely populated; our observations indicated a high degree of poverty existed in them. However, the State library had not determined whether these or other areas had the greatest needs.

With regard to direct grants, the Ohio State Library did not determine statewide needs and did not fund local libraries accordingly; rather it awarded grants on the basis of applications submitted by local libraries. In fiscal year 1972, 23 of the 251 public libraries in the State applied for grants. All were approved and most were geared to serve the disadvantaged in urban and rural areas. In fiscal year 1973 when the State's LSCA title I allotment was reduced, the funds for direct grants were reduced from $1 million to $275,000. As in fiscal year 1972 these funds were awarded on the basis of local library applications.

Comments from State library agency officials

Officials from both State library agencies believed they were carrying out the intent of the law in distributing LSCA title I funds. They cited that portion of LSCA which reserves judgment on the best use of funds to States and local subdivisions. They pointed out that HEW had not disapproved their State plans which contained the projects and programs to be funded for both fiscal years 1972 and 1973.

All the officials said that State libraries would like to spend more on direct grants and retain less at the State level for administration and statewide services. According to Michigan officials, as long as there was no limit on State administrative and support spending, their legislature would not provide additional funds for such purposes. Ohio officials said such a limit would require their legislature to provide more funds to the State library allowing more of the Federal funds to be used for local grants.

Both Michigan and Ohio State library officials commented that they had encountered severe problems in planning and administering the LSCA title I program caused by the uncertainty of Federal funding. They stated that in past years, the program has been operating under continuing resolutions, and, when appropriations have been passed, the program has been subject to impoundments causing delays in the allocation of these appropriated funds.

Officials from both States said that a needs assessment for public library services would be benefical in meeting LSCA title I objectives. Ohio officials informed us they had begun such an assessment as a result of our review. Michigan officials stated that they did not have the funds for such an undertaking and that they would consider it if they could obtain Federal research funds.

CONCLUSIONS

Many States have apparently interpreted LSCA and implementing regulations as allowing them broad discretion in retaining funds for use at the State level. The methods for allocating LSCA title I funds devised by Michigan, Ohio, and other States allowed for retaining large portions

of the title I funds at the State library agencies for administration, support services, and statewide programs, thereby reducing the amount of funds available to provide new or improved library services at the local level--particularly for the urban and rural disadvantaged. Though funds at the State level improved State library services, services were for all libraries and all persons in the State and were not directed specifically at the target groups intended by the legislation.

Establishing a limit on the amount or percentage of LSCA title I funds that States can retain for administration, services, and statewide programs is one way to help insure that the intended target groups are served.

Furthermore, Michigan and Ohio had not made statewide assessments of the needs of library users and nonusers to determine those areas needing new or improved service. Such assessments are prerequisites to allocating title I funds to meet legislative objectives.

RECOMMENDATIONS TO THE SECRETARY OF HEW

We recommend that the Secretary direct the Commissioner of Education to:

--Require the State library agencies to make statewide assessments of the needs for public library services and rank local libraries accordingly as a prerequisite to distributing LSCA title I funds.

--Insure that the State library agencies are giving appropriate priority consideration to urban and rural disadvantaged persons when distributing LSCA title I funds.

AGENCY VIEWS AND GAO EVALUATION

HEW generally agreed with our recommendations and stated that actions had been or would be taken to implement them. However, HEW had reservations about the States using a ranking system for local libraries as a prerequisite for receiving LSCA title I funds. We did not intend by this recommendation that such a system be the sole basis for distributing funds to local libraries. It appeared to us that the results of

a statewide needs assessment would show those areas or groups most in need of services. Using a ranking of libraries serving these areas or groups in conjunction with other factors, such as local initiative and interest in participation, would result in better decisions regarding the most effective use of the limited LSCA title I funds.

HEW informed us that our proposal concerning a dollar or percentage limit on funds retained for State administration had merit, but could be achieved only by amending current legislation. HEW took exception to our proposal that funds retained by States for services be included in any limitation. HEW and officials from both State library agencies contended that, in some cases, the provision of services by the State was a more efficient and effective use of LSCA title I funds.

We agree that, when directed solely toward the intended target groups, State provision of services may be more efficient and effective. However, for services and programs that are statewide and serve the general population, we do not believe that State provision of services is an efficient and effective use of LSCA title I funds. We believe that funding for these latter services and programs may more properly be provided by the States.

Officials from both the Michigan and Ohio State libraries told us that a limit on the LSCA title I funds that their States could retain would require their State legislatures to provide more funds to the State library, thus freeing LSCA title I funds for grants to local libraries. In this connection, section 102(b)(1) of LSCA (20 U.S.C. 353) provides that the Commissioner of Education may establish limits or criteria for the State use of LSCA title I funds to administer the State plan and to strengthen the State library agency. The legislative history, however, does not mention dollar amount or percentage limits.

MATTER FOR CONSIDERATION BY THE CONGRESS

To help insure that more of the limited Federal funds are focused on providing expanded library services to the target groups provided for in the act, the Congress should consider amending the existing legislation to specify a dollar amount or percentage limit on the LSCA title I funds that the States may retain for administration, services, and statewide programs.

CHAPTER 5

PROPOSED FUNDING APPROACHES FOR FEDERAL LIBRARY PROGRAMS

Federal aid to school and public libraries has been in the form of categorical programs--those aimed at specific types of services or target groups. Alternative approaches to such categorical aid have been considered by the Congress for some time. As of September 1974, the Congress had enacted legislation containing a new approach to funding library resources and services for elementary and secondary schools but was still considering alternative funding approaches for public library resources and services.

SCHOOL LIBRARY PROGRAMS

On August 21, 1974, the Congress enacted the Education Amendments of 1974 (Public Law 93-380). Title IV of the act provides for consolidating certain education programs into two broad areas, Libraries and Learning Resources and Educational Innovation and Support. The Libraries and Learning Resources consolidation, which includes ESEA title II, is to become operative beginning with fiscal year 1976 but will not become operative unless (1) programs involved--ESEA title II, title III of the National Defense Education Act of 1958, and that part of ESEA title III that relates to testing, guidance, and counseling--are funded in the aggregate at or above fiscal year 1973 or fiscal year 1974 levels, whichever are higher, and (2) the consolidation is forward funded.

If the Libraries and Learning Resources consolidation goes into effect, the States are to distribute funds to the local educational agencies on the basis of student population with substantial additional funds given to local agencies with a greater than State average tax effort for education and with large numbers or percentages of children that imposes a higher than average cost per child. The State must insure that each local educational agency will be given complete discretion in determining how funds will be divided among the programs included in the consolidation.

ESEA title II and existing regulations and guidelines will remain in effect until the beginning of fiscal year 1976 if the consolidation occurs and until the end of fiscal year 1978 if the consolidation does not occur.

PUBLIC LIBRARY PROGRAMS

Concluding that State and local governments faced severe financial problems, the Congress passed the State and Local Fiscal Assistance Act of 1972, commonly known as the Revenue Sharing Act (31 U.S.C. 1221), providing for the distribution of about $30.2 billion during 5 years beginning January 1, 1972.

The funds provided under the act reflect a new and different kind of aid because the State and local governments are given wide discretion in deciding how to use the funds. Other Federal aid to State and local governments, although substantial, has been generally used for defined purposes. The Congress concluded that aid available under the act should provide recipient governments with flexibility to use the funds for their most vital needs.

The act imposes few restrictions on the use of general revenue sharing funds at the State level. At the local level general revenue sharing funds must be spent for priority items. These priorities are outlined below.

1. Ordinary and necessary maintenance and operating expenses for

   --public safety,
   --environmental protection,
   --public transportation,
   --health,
   --recreation,
   --libraries,
   --social services, and
   --financial administration.

2. Ordinary and necessary capital expenditures authorized by law.

In framing this list the Congress was guided by the consideration of items which were clearly national priority items.

Several groups have expressed concern over the success of general revenue sharing as it pertains to public library support. Officials from the Conference of Mayors and the American Library Association, as well as State library officials and local librarians, believe that success had been limited because libraries are forced to compete for funds with high priority community needs, such as public safety.

Through May 1973, most States had not used general revenue sharing funds for their State libraries. The success of local public libraries in receiving general revenue sharing funds was not much better.

An Office of Revenue Sharing report issued in March 1974 classified local expenditures by county, city, and township. For the first year and a half of general revenue sharing, local governments emphasized the public safety and public transportation categories. For the 18-month period ended June 30, 1973, public libraries received less than 1 percent of the funds available to the local governments, public safety received 23 percent, and public transportation 15 percent.

In Michigan, only 18 of 350 public libraries received general revenue sharing funds in fiscal year 1973. In Ohio, not all the 251 libraries requested funds, but those that did requested funds totaling over $9.4 million, of which $3 million was for services. Only 39 Ohio libraries received general revenue sharing funds in fiscal year 1973, and these funds totaled $244,000, of which $164,000 was for services.

However, the fact that the Congress continued LSCA in fiscal year 1973, although at a reduced level, could have affected these revenue sharing allocations.

For fiscal year 1975, HEW requested $25 million for LSCA title I--a reduction of $22 million from fiscal year 1974 funding. According to HEW's budget justification, this represents the first step in a phaseout of Federal support for public library services because it was felt that the States and localities should assume the costs of these services. The budget also includes a request for $15

million for a new legislative initiative--submitted to the Congress in August 1974--to support the sharing of library resources and the demonstration of improved library practices.

Many of the State and local librarians, as well as officials from the American Library Association, believe the progress in providing public library services would cease if direct grants under LSCA title I were discontinued.

CHAPTER 6

SCOPE OF REVIEW

Our review was directed toward determining whether legislative objectives of selected Federal library support programs were being achieved and if problems might be limiting success in achieving the objectives. We concentrated on how States were allocating funds to school and public libraries.

We reviewed the legislative histories of title II of ESEA and its amendments and title I of LSCA and its amendments. We also reviewed the administrative regulations and instructions for their implementation.

We held discussions and reviewed records at OE headquarters; however, we worked primarily in Michigan and Ohio--States consistently among the top 10 in amounts of Federal assistance received--at State departments of education, State libraries, and local schools and public libraries in the largest city in each State and in sparsely populated rural counties. We interviewed State and local education and public library officials and reviewed records and reports to evaluate program results.

APPENDIX I

MINIMUM BOOK STANDARDS FOR MICHIGAN AND OHIO ELEMENTARY AND SECONDARY SCHOOL LIBRARIES IN 1973

Elementary and Secondary

MICHIGAN

Enrollment	Number of books
200 to 999	6,000 to 10,000
1,000 or more	10 per student

Note: Smaller schools can use collections of proportionate size.

OHIO

Elementary

Enrollment	Number of volumes
300 or less	A minimum of 10 books per pupil
301 to 499	3,000 volumes plus 5 books per pupil over 300 pupils
Over 500	4,000 volumes plus 3 books per pupil over 500 pupils

Secondary

Enrollment	Number of volumes
499 or less	5,000
500 to 999	5,000 for the first 500 pupils plus 4 volumes for each additional pupil
1,000 to 1,999	7,000 for the first 1,000 pupils plus 3 volumes for each additional pupil
2,000 or more	10,000 for the first 2,000 pupils plus 2 volumes for each additional pupil

APPENDIX II

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
WASHINGTON, D.C. 20201

OFFICE OF THE SECRETARY

SEP 4 1974

Mr. Gregory J. Ahart
Director, Manpower and
Welfare Division
U.S. General Accounting Office
Washington, D.C. 20540

Dear Mr. Ahart:

The Secretary has asked that I reply to your letter dated July 3, 1974, pertaining to the General Accounting Office draft report on the "Progress and Problems of Selected Federal Library Support Programs". The attached statement sets forth our comments on the matters discussed in the report and are the product of a review by the officials responsible for the programs cited in the report.

Sincerely yours,

John D. Young
Assistant Secretary, Comptroller

Enclosure

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APPENDIX II

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE COMMENTS PERTINENT TO THE DRAFT REPORT TO THE CONGRESS OF THE UNITED STATES BY THE UNITED STATES GENERAL ACCOUNTING OFFICE, "PROGRESS AND PROBLEMS OF SELECTED FEDERAL LIBRARY SUPPORT PROGRAMS"

GAO RECOMMENDATION

The Secretary of HEW should direct the Commissioner of Education to:

-- assure that States have established minimum standards for collections of both books and audio-visual materials.

-- clarify program guidelines by requiring that States: (1) identify those schools not meeting the minimum standards as the first step in the ESEA Title II fund allocation process and (2) give priority in fund allocation to those schools thus identified which meet other OE criteria for priority treatment.

DEPARTMENT COMMENT

We concur in the spirit of the actions called for by these recommendations. However, because of the enactment of P.L. 93-380, new regulations and guidelines will have to be developed to implement that act. Such regulations will undoubtedly impact on the degree of our compliance with the recommendations. We will, of course, consider the recommendations in the development of the new regulations and guidelines.

As noted by the GAO report the Office of Education has, in fact, taken a number of actions to urge States to comply with current program guidelines concerning the setting of standards; and to refine the methods used to allocate funds. With respect to:

minimum standards for collections of books and audio-visual materials

A survey of State school media standards now being completed indicates that all States and outlying areas participating in Title II either have State school library or media standards or use the standards of professional organization for purposes of the Title II program. A lesser number (22 States and other jurisdictions) have quantitative standards which apply to many types of audio-visual materials.

This survey did conclude, however, that the standards of many States need revision. The survey report will be disseminated to State department of education staff assigned to ESEA Title II administration; we will also encourage and give technical assistance to the States in these matters.

Identifying schools not meeting the minimum standards/giving priority to such schools

Efforts to encourage States to develop more precise methods of distributing benefits have continued over the years. This identification process -- determining relative need and prioritizing fund allocations based on such determinations -- has been the subject of a number of conferences. A conference conducted in February 1974, for example, presented relative need formulas and stimulated much interchange of ideas. Office of Education staff have conducted a series of program reviews in 31 States, and other jurisdictions from July 1972 to date. The reports on these reviews included recommendations dealing with strengthening these determinations in 22 States. One of the most basic problems, though, has been that many States do not have a sufficient amount of administrative funds available to support continuing Statewide assessments of existing materials in schools.

To recap, we concur that improvements are needed. Assuming that ESEA Title II will remain unchanged (see our comments on pending legislation) we will continue our efforts to assist States to carry out the program management actions called for by this recommendation.

GAO RECOMMENDATION

Establish a limitation on the amount or percentage of Title I LSCA funds that can be retained by the State library agencies for administration and services.

DEPARTMENT COMMENT

We concur that a limitation be established on the amount or percentage that can be retained for administration; we do not concur that such a limitation be established for services.

It is unfortunate that only Michigan and Ohio were examined extensively. Both are among the more densely populated States. An examination of North Dakota, Wyoming, or New Mexico, for example, would have helped in understanding the need for retaining Federal service funds at the State level in order to assure service to more people. There are a limited number of localities in States with a sufficient tax and/or population base to support adequate public library services. Providing library services in those sparsely populated areas is much more expensive than in urban and suburban areas. Because the LSCA allotment formula is based on population, these States receive little more than the minimum allotment. Therefore, in many States it is more efficient for the State agency to provide the services. It can mean actually the difference between people having service from a State agency or doing without library services.

With respect to establishing a limitation on amounts that may be expended for administration, we plan to have CE's regional staff encourage and offer guidance to the States to limit the amounts they expend for administration. Specific dollar or percentage limitation can be achieved only through amendments to the current legislation.

GAO RECOMMENDATION

Require the State library agencies to make Statewide assessments of the needs for public library services and rank local libraries accordingly as a prerequisite to distributing LSCA Title I funds.

DEPARTMENT COMMENT

We concur with the recommendation requiring the State library agencies to make Statewide assessments of needs for public library services. In fact, current legislation P.L. 91-600 requires a long-range program which is defined as a:

"comprehensive five-year program which identifies a State's library needs and sets forth the activities to be taken toward meeting the identified needs supported with the assistance of Federal funds made available under this Act. Such long-range programs shall be developed by the State's policies, criteria, priorities, and procedures consistent with the Act as required by the regulations promulgated by the Commissioner and shall be updated as library progress requires."

To assist the States in this required activity, as indicated in prior comments, State agency personnel, from October 1971 through April 1972, participated in a training institute, conducted by the Ohio State University Evaluation Center. The purpose of the institute was to expand their skills in planning and evaluation techniques in order to fulfill the requirement that each State develop a long-range program based on the library needs in that State. A follow-up plan was to have the same University Evaluation Center assist the States in training local library personnel to do a more indepth needs assessment on their level and thus improve the total needs assessment activity. One of the current thrusts is to improve the cabability within the State towards more substantive needs assessment.

We do, however, have reservations about requiring the States to use a ranking system for local libraries as a prerequisite for receiving LSCA Title I funds. Current legislation does not require nor authorize ranking local libraries as a prerequisite for receiving LSCA funds.

GAO RECOMMENDATION

Assure that the State library agencies are given appropriate priority consideration to urban and rural disadvantaged persons when distributing LSCA Title I funds.

DEPARTMENT COMMENT

We concur with this recommendation.

Regional Library Program officers as well as Central U.S. Office of Education personnel have become firmer in assuring the States that services to the disadvantaged and the handicapped are major priorities which must be met in their annual programs. Cooperative objectives adopted for FY 1975 gives added emphasis to utilization of LSCA Title I funds in line with mandate of the legislation. More specific criteria for selection of projects has been developed for use by States, localities, and monitors of the programs.

STATE OF MICHIGAN

DEPARTMENT OF EDUCATION

STATE LIBRARY SERVICES

735 E. Michigan Ave., Lansing, Michigan 48913

JOHN W. PORTER
Superintendent of
Public Instruction

August 30, 1974

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Mr. Gregory J. Ahart, Director
Manpower and Welfare Division
U. S. General Accounting Office
Washington, D. C. 20548

Dear Mr. Ahart:

We appreciate very much the opportunity to comment on the draft of your report prepared in the General Accounting Office for the Congress of the United States. From all appearances, however, the recommendations are directed to the Secretary of Health, Education and Welfare and the Commissioner of Education, rather than to the Congress. Such recommendations as included in your report would certainly require congressional action of some sort, rather than simply rewriting the rules and regulations under the present legislation.

[See GAO note, p. 43.]

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[See GAO note, p. 43.]

The Conclusions or Recommendations do overlook several fundamental issues that must be taken into consideration when your final report is filed.

We indicated to your staff that we simply do not agree with their interpretation of the present library legislation, especially in areas covering LSCA.

1. The recurring references to giving priority consideration to urban and rural disadvantaged persons while ignoring that Congress has given equal weight to the need for improving and strengthening state library agencies and metropolitan public libraries serving as a national or regional resource center, reflects a total lack of understanding of the intent of Congress in developing this legislation.

2. Adequate funds must not only be appropriated in order to more fully and effectively carry out the intent of Congress, but nowhere in the report has the fact been brought out that many of these plans, projects and grants have been continually stalled or blocked by the impoundment of federal funds or the uncertainty of

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program funding with continuing resolutions, etc. It is most difficult to carry on a program of any kind when the funding schedule is so uncertain, in spite of the action of Congress.

3. The priorities set forth by Congress in law to strengthen the state library agencies have been entirely ignored in the Conclusions. As noted, no adequate assessment program on the scale required in the report can be carried out without proper funding support.

4. The centralization of services at the State Library has aided all public libraries in Michigan and has offered substantial savings to them in terms of materials and services which they otherwise would not be in a position to have.

We have no objections to the recommendations of the auditors. In the case of ESEA II, these recommendations would easily become part of any new allocation formula, and it would certainly strengthen the guidelines and other standards proposed here in Michigan. In the case of LSCA I, we would certainly agree with the recommendation to establish a limitation on the amount or percentage of LSCA Title I funds that can be retained by the state library agencies.

If further information is required, please do not hesitate to get in touch with me.

Sincerely,

Francis X. Scannell

Francis X. Scannell
Michigan State Librarian

FXS:mj

Enclosures

GAO note: Material deleted from the letter pertained to corrections requested by the State Librarian. These corrections were made in the final report.

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The State Library of Ohio
65 South Front Street, Columbus 43215 (614) 466-2694

August 14, 1974

Mr. Gregory J. Ahart, Director
Manpower and Welfare Division
U. S. General Accounting Office
Washington, D.C. 20548

Dear Mr. Ahart:

We appreciate the opportunity to review and comment on the draft report of the GAO review of selected Federal library support programs. We have enclosed a statement which we respectfully ask that you incorporate in your final report and, in addition, we call your attention to the following:

1. We believe there remains some basic disagreement in interpretation of the Federal Library Services and Construction Act (P.L. 88-269 as amended; most recently amended by P.L. 91-600). We have consistently and conscientiously used this statute as a guide in assessing the purposes and priorities of the Library Services and Construction Act program, specifically "Declaration of Policy," Sections 2 (a) and (b) in P.L. 91-600. The enclosed statement provides fuller detail on this.

2. We believe that, in some circumstances, use of a portion of the Federal funds at the State level may be a more efficient and effective use of Federal funds than other alternatives, inasmuch as the services such expenditures make possible are available to larger numbers of persons. In bookmobile operations, for instance, the State Library has been in a position to administer such programs more effectively than if the responsibility for these programs were assigned to one of the participating libraries. Such bookmobiles meet the needs of large numbers of people in poor areas of Ohio at a relatively low cost.

[26]

3. On page 33, paragraph 3, it would be more precise to say: "In response to questions on the effect of a limitation, Ohio officials stated that such a limitation would require the legislature to provide more funds to the State Library,

[See GAO note 2, p. 45.]

STATE LIBRARY BOARD

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Mr. Ahart

August 14, 1974

allowing more of the Federal funds to be used for local grants." [26] [See GAO note 2.]

We will appreciate your revision of the statement on page 33 as noted in the preceding paragraph, and the inclusion of the enclosed statement in your final report.

Sincerely,

Joseph F. Shubert
State Librarian

JFS:NC

Enc. Statement of the State Librarian
The State Library of Ohio

GAO note: 1. The enclosure to this letter has been omitted from the final report. It is essentially a detailed restatement of points 1. and 2. on p. 44. However pertinent comments are addressed in the text.

2. Page references in brackets refer to the final report.

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APPENDIX V

PRINCIPAL HEW OFFICIALS

RESPONSIBLE FOR ADMINISTERING ACTIVITIES

DISCUSSED IN THIS REPORT

	Tenure of office	
	From	To
SECRETARY OF HEALTH, EDUCATION, AND WELFARE:		
Caspar W. Weinberger	Feb. 1973	Present
Frank C. Carlucci (acting)	Jan. 1973	Feb. 1973
Elliot L. Richardson	June 1970	Jan. 1973
Robert H. Finch	Jan. 1969	June 1970
Wilbur J. Cohen	Mar. 1968	Jan. 1969
John W. Gardner	Aug. 1965	Mar. 1968
Anthony J. Celebrezze	July 1962	Aug. 1965
ASSISTANT SECRETARY (EDUCATION):		
Virginia Y. Trotter	June 1974	Present
Charles B. Saunders, Jr. (acting)	Nov. 1973	June 1974
Sidney P. Marland, Jr.	Nov. 1972	Nov. 1973
COMMISSIONER OF EDUCATION:		
Terrel H. Bell	June 1974	Present
John R. Ottina	Aug. 1973	June 1974
John R. Ottina (acting)	Nov. 1972	Aug. 1973
Sidney P. Marland, Jr.	Dec. 1970	Nov. 1972
Terrel H. Bell (acting)	June 1970	Dec. 1970
James E. Allen, Jr.	May 1969	June 1970
Peter P. Muirhead (acting)	Jan. 1969	May 1969
Harold Howe II	Jan. 1966	Jan. 1969
Francis Keppel	Dec. 1962	Jan. 1966

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